

# Stakeholder Act as an IT and General Compliance Auditor

Surjandy

Information Systems Audit Program,  
Information Systems Department,  
School of Information Systems  
Bina Nusantara University  
Jakarta, Indonesia 11480  
[surjandy@binus.ac.id](mailto:surjandy@binus.ac.id)

Raymond Kosala

Computer Science Department,  
BINUS Graduate Program -  
Doctor of Computer Science,  
Faculty of Computing and Media  
Bina Nusantara University,  
Jakarta, Indonesia 11480  
[rkosala@binus.edu](mailto:rkosala@binus.edu)

Merry Marshela

Information Systems Audit Program,  
Information Systems Department,  
School of Information Systems,  
Bina Nusantara University,  
Jakarta, Indonesia 11480  
[merry.marshela@binus.ac.id](mailto:merry.marshela@binus.ac.id)

Erick Fernando

Information Systems Departement,  
School of Information Systems,  
Bina Nusantara University,  
Jakarta, Indonesia 11480  
[erick.fernando001@binus.ac.id](mailto:erick.fernando001@binus.ac.id)

Suhono Harso Supangkat

School of Electrical Engineering and  
Informatics  
Institut Teknologi Bandung  
Bandung, Indonesia  
[suhono@stei.itb.ac.id](mailto:suhono@stei.itb.ac.id)

Angelica

Information Systems Audit Program,  
Information Systems Departement,  
School of Information Systems,  
Bina Nusantara University,  
Jakarta, Indonesia 11480  
[angelica003@binus.ac.id](mailto:angelica003@binus.ac.id)

Meyliana

Information Systems Departement,  
School of Information Systems,  
Bina Nusantara University,  
Jakarta, Indonesia 11480  
[meyliana@binus.edu](mailto:meyliana@binus.edu)

Diani Dwiningrum

Information Systems Audit Program,  
Information Systems Department,  
School of Information Systems,  
Bina Nusantara University,  
Jakarta, Indonesia 11480  
[diani.dwiningrum@binus.ac.id](mailto:diani.dwiningrum@binus.ac.id)

Renita Amalia

Information Systems Audit Program,  
Information Systems Departement,  
School of Information Systems,  
Bina Nusantara University,  
Jakarta, Indonesia 11480  
[renita.amalia@binus.ac.id](mailto:renita.amalia@binus.ac.id)

**Abstract**—Recently, the Indonesian government requires auditors, the need for auditors around 40,000 auditors in 2016, currently has only about 10,800 auditors, however, the lack of the auditors impacting the risk of financial loss for the state. Referring to the problem, this experimental research was conducted. The experiment of the research was conducted two times and the audit topic is a compliance audit in the year 2017 and year 2018. The goal of this research is to know, can the stakeholder act as an IT and general compliance auditor? The experiment was conducted by 8 university students in 2017 and 19 university students in 2018, and the supporting tools of audit activities the university student use the smartphone to capture the object as evidence. The experiment results with descriptive method show university students can act as an auditor and found several pieces of evidence that might cause future impact to the institution.

**Keywords**—audit, compliance audit, stakeholder

## I. INTRODUCTION

The aim of Audit or Information Systems Audit (ISA) is to protect asset e.g. asset of the company, an asset of the country. The assets can be categorized as a tangible asset where the asset can see, or physically available such as a chair, server, table, car, building and the intangible assets such as data or information where the assets have no physically exist. Both types of the assets may cause a significant problem for the company or institution. However, the breach of security is happening on a daily basis.[1]

Indonesia government required more auditor since 2015[2] and recently, the government required more auditor and total of the auditor in Indonesia only around 10.800 auditors in 2018[3]. The exploratory research was conducted two times, in the year 2017 and 2018. The purpose of the research to explore the possibility of stakeholders (in this case university student of a private University) to perform compliance audit in the scope of Information Systems Audit Compliance and Life and Safety compliance. The total of 27 university students (8 in 2017 and 19 in 2018) uses a smartphone as the supporting audit tools to take a picture of the evidence as smartphones are part of university student daily life tools[4][5][6].

The experiment result shows that the university students (stakeholders) possible to perform the audit in term of IT and general compliance audit and the result can be used by the university to improve the compliance level and even to avoid the unnecessary serious problem in the future due to not comply with the regulation and potentially significant financial lost and improve of learning method. The result of the experiment might be used for the future research in other audit area and aspect, and the method used of the stakeholder can be used for the solution due to the limitation of auditor resources strategy.

## II. LITERATUR REVIEW

### A. Audit

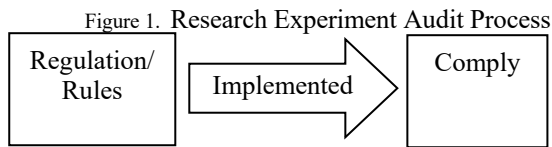
The definition of audit appear previously in the scientific report in the year 1975 & 1976 by Glick, 1979 by Noel, the meanings of the audit is a measurement of safeguard[7]. However, according to the Merriam-Webster dictionary word of the audit is an examination method and review[8]. Therefore, in this research limited to the compliance audit activity, mean is the review activity regarding of Information Systems compliance and Health and safety compliance

### B. Audit Compliance

There are many types of audits such as financial auditing, operational auditing, and compliance auditing. The compliance auditing is a review process by looking at the object whether the object complies with the procedures or rules that make by the institution (internal and or external)[7].

### C. Experimental Design

The research was conducted using an experimental design. The factor is the auditor (the person who conduct audit activity). The auditor replaces by the university student and the experiment conducted 2 times one in the year 2017 and one in 2018. The location for audit is around the university area.



### D. Auditor

An auditor is a person assigned by the company to do the audit. It means the person or a group who will perform audit activity. However, recently academic show concern about audit performed by non-professional audit (e.g. University Student as an auditor)[9]

## III. DATA AND METHOD

The experiment research activity performed in February until June 2017 and 2018 months each year. The total of 27 university students performed the activity, that consist of in 2017 8 university students and all the students come from Information Systems Audit program and in 2018 19 university students consist of 14 university students come from Information Systems Audit program and 5 university students come from Accounting program. The mean for university Grade Point Average (GPA) is 3.067 from GPA scale between 1 to 4 and SD is 0.4026. The criteria of the university student are an active university student and learning Information System Audit course.

TABLE I. THE AUDITORS

Experiment auditor		
Gender	n	%
2017		
Information Systems Audit Program		
• Female	3	37.5%

Experiment auditor		
Gender	n	%
• Male	5	62.5%
Total	8	100%
2018		
Information Systems Audit Program		
• Female	4	21.05%
• Male	10	52.63%
Accounting Program		
• Female	1	5.27%
• Male	4	21.05%
Total	19	100%

All the university student has no experience with the audit and no information about the audit at all, and the theoretical audit gave before the experiment begins. The audit process has no schedule at all and should be performed while the period of the class. Beside the experience, on the table, I show the university student gender as stated in the early research beside experiences, gender as the important characteristic of an auditor[10]

### A. Research activity procedure

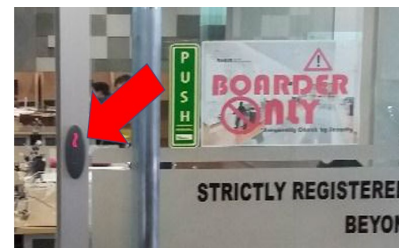
The procedure to perform the audit activity is the university student should perform the audit at around university location and the scope is Information Systems Compliance and Health and Safety Compliance, the period of the audit activity is from the first meeting or week 1 until end of the semester for about 6 months and 1 week before end of the semester the university students should report and presented the evidence in front of the class. The university student should provide the evidence with the authenticate photo and the photo should be taken by the auditor (the university student). The university student should only take maximum 3 not comply evidence during the period of time.

## IV. RESULTS

The result shows some of the results that have significant implication to the institution due to noncompliance and the experiment result example evidence shows as follow:

### A. In 2017 – Restricted Room with Broken System Access

Figure 2. Broken Systems Access



The restricted room means an only authorized person may enter the room, and access door applies to comply with the rules. However, the figure 2 shows that the door has access door systems with no functions or broken. It is mean anyone with have no access also can access the room. It has

a potential loss of data and against the company policy (the signage).

#### B. In 2017 – Obstacles in the way of the emergency exit door

Figure 3. Obstacles in the way of the emergency exit door



The safety regulation applies in any countries including in Indonesia Peraturan Menteri Pekerjaan Umum no.26/PRT/M/2008 point no 68 about Emergency Exit, and the serious implication might be applied to the company that not comply with the regulation. During the experiment, there is a university student to identify the issues of safety that can be seen in Figure 3. The obstacles found in front of emergency exit route, the problem may occur and may cause loss of life or seriously injured of the person during the evacuations (against the regulation Peraturan Menteri Pekerjaan Umum no.26/PRT/M/2008 point no 7.3)[11].

#### C. In 2018 – Finding at Library

Figure 4. Finding at Library



Library is the place of center of kinds of book, however, there is university regulation policy (signage) that no food or drink allowed inside and before entering the library, however, during the experiment there is a student reported found a university student inside the library and bring the mineral water and from the figure 3 he looks familiar with the activity. Therefore, there is a possibility the book broke by the water and it might cause impact to the library asset.

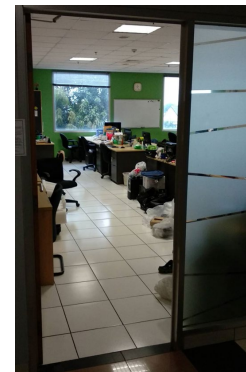
#### D. In 2018 – the door leave it open

Figure 5. Finance door open



On the figure 5 show that finance door room leaves it open without control, the finance department room is a restricted room, it can be seen the door have active access door system, but the door open while the door access systems are active. The other issue is the finance room location is beside the exit door, means the finance room around the public area, therefore, the picture above shows the incompliance situation may cause serious issues to the institution.

Figure 6. No staff inside the room



In figure 6 above no staff look available, however, any financial reports (printing) or data are the important assets of the institution. Therefore, the university student found a good evidence of the compliance audit.

#### E. Descriptif explanatory result conclusions & validation

The result of the experiment shows that 10 university students (37%) have significant evidence report, it means the evidence has high or critical impact for the institution if there is no future action from the institution to solve the evidence and the report can be seen at point A, B, C, D, & E, while 17 university students (63%) have no significant evidence report, it means the evidence has low impact on the institution.

The high or critical impact result compare to university student GPA is scale 5 GPA (3.51 – 4.00) has 5 university students (50%) contribution. Scale 3 GPA (2.51 – 3.00) has 4 university students (40%) contribution, and the last is Scale 4 GPA (3.01 – 3.50) has 1 university student contribution (10%)

The high or critical impact result compare to university student gender. The result show 6 university student (60%) is female and the rest (40%) is a male university student.

The high or critical impact result compare to university background program. The result show 2 university student (20%) from accountancy program and the rest (80%) from information systems audit program.

The validation of the process was conducted by theoretical and focus group discussion with the representative management of the private university, the several findings showed and discussed, the immediate action has made for significant finding such as make the policy, email awareness program.

#### F. Debatable

The debatable condition of audit also occurs during the experiment such as the traditional audit conducted by proper schedule and with specific target therefor, the auditee

prepared well before the audit schedule. However, the experiment performed has no scheduled and early information for auditee, therefore the result show as is a condition. According to the regulation, it must always comply.

The debatable condition also occurred by the person who conducted the audit, commonly the auditor is the person who assigns by the company and has ability or skill of audit sometimes the person has certification of the auditor. However, the auditor in this experiment is a university student who is learning about Information Systems Audit.

The role of auditor frequently questioned[12] that sometime the auditor can be managed by auditee, therefore, this experiment may be can as a solution to the situation as well. The other identified issues regarding the role of the auditor are lack of independence[13]

The experimental research method used as a part of the improvement process of learning audit[14]

## V. CONCLUSION

The conclusion of the experimental research on the usage stakeholder (University Student) to perform the compliance audit is very possible and base on the result above mostly all university students have the ability to perform the compliance audit due to the object can be seen by the auditor (university student), however, the implication of the evidence to the institution depends on the GPA of the university students as show at point IV.E

The limitation of this research is specifically for compliance audit where the regulation and implementation of the regulation can be seen, and no all aspect has captured in this audit. The location limited to a private University, and the scope of the audit is the Information Systems Audit and Health and safety. The implication of the research possible to implement to the institution and the audit method could reduce operational of audit cost.

The limitation access of data and information from the private university for this research may cause not possible to perform the comparison of the result between professional result audit and active student result.

The finding result of the audit currently is processing by management to solve the finding issue by creating an awareness program for compliance and create the necessary procedure.

This is preliminary research and required future research in term of the sample size of the people and length of time the research, the next research will be adjusted and conducted base on the subject to improve from the reviewer of this paper.

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